

Durham Bulls Athletic Park



EXTERIOR VIEW OF ENCLOSED EVENT SPACE/ CLUB ROOM



DURHAM BULLS ATHLETIC PARK CAMPUS

D3 DEVELOPMENT

RND
ROBERTSON NICKELSON DE LUCA
ARCHITECTS



Agreements

Overview:

- Lease Agreement- new lease (20 years)
- Development Agreement- roadmap for implementation of deferred maintenance and new improvements at the Ballpark
 - City - Direct Procurement of lights and seats
 - Architectural contract - RND
 - CMAR contract - Lend Lease



Lease with Durham Bulls Athletic Club

- 1992 - Lease with Club (as amended)
- Existing Lease expires in 2015
- Existing Lease
 - Club pays rent
 - City maintains facility
- Existing Financial Model:
 - \$150,000 for the ballpark
 - \$85,000 for office space
 - Additional revenue sharing formula
 - Recent years-City's operating costs exceed revenues by more than \$200,000



Lease with Durham Bulls Athletic Club

- New lease:
 - 20 year lease - effective January 1, 2014
 - 2- (5) year options to renew
- New Financial Model:
 - Club responsible for operating costs and expenses.
 - Revenues received generate revenue stream to provide for debt service and capital improvements.
 - City general funds no longer required to support ballpark day-to-day operations
 - City's obligations for future capital repairs and upgrades reduced.



Lease with Durham Bulls Athletic Club

Specific lease terms include:

- Club pays City \$125,000 per year base rent (CPI adjusted with cap).
- Club pays additional rent to City as follows:
 - 3% of gross revenues that exceed \$10,750,000.
 - Special events - 1.25% of gross revenues.
 - 3rd party events - 1.25% of revenues.



Lease with Durham Bulls Athletic Club

Lease terms (continued):

- Club pay for all utilities
- Club responsible for implementation of preventative maintenance program and all costs associated with specified repair and maintenance up to an annual cap of \$200,000. (CPI adjusted with cap)
- Club is not responsible for repairing or replacing structural components of the Ballpark.



Development Agreement

- Currently unfunded are approximately \$6 million of deferred maintenance (including ADA) items. Under the proposed agreements and financial model, the City will be responsible for funding 100% of the cost of these deferred maintenance items.
- Club has identified approximately \$8 million of new improvement capital projects.
 - Refresh ballpark after twenty years
 - Create new revenue opportunities



Development Agreement

- Under the financial model, the cost of the deferred maintenance and new improvements in excess of \$12 million will be borne by the Club.
- To expedite the completion of the deferred maintenance and new improvements Club will oversee the design and construction of the capital projects.
- City will contract directly for purchase of stadium lights (est.- \$446,000) and stadium seats (est.-\$697,000) - as sole source exception for standardization and compatibility



Deferred Maintenance

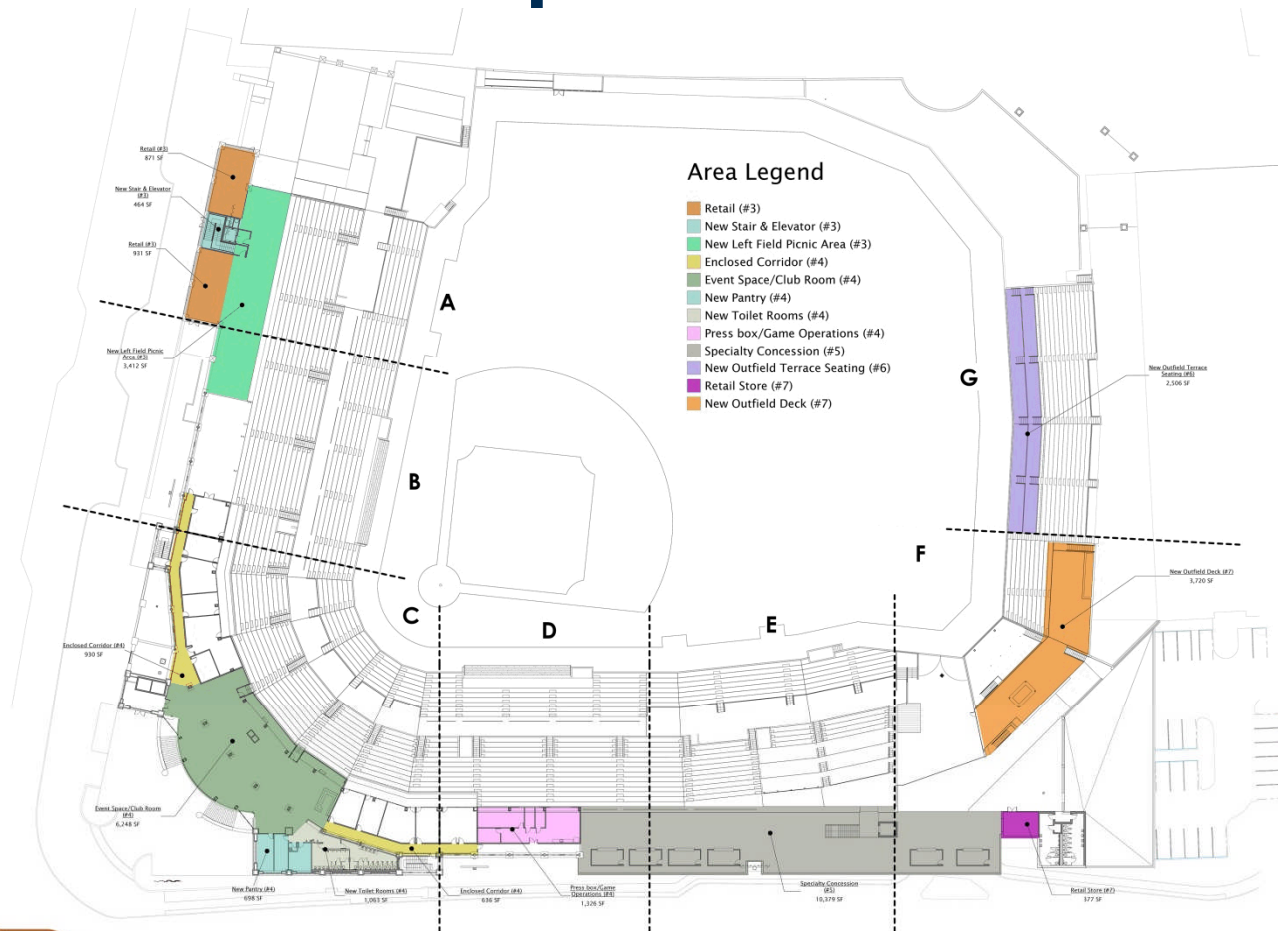
1. Field Lighting
2. Renovate Maintenance/Field Offices
3. Renovate Ground Keeper Area
4. ADA Compliance
5. Renovate Press Box Areas
6. Repair drainage at grass berm
7. Seat Replacement
8. Interior Water Damage/Mold
9. Repair MEP and Fire Life Safety systems
10. Roof repairs (\$50,000)
11. Paint and masonry repairs
12. Replace field turf, irrigation, and drainage
13. Chiller
14. Repair Blackwell Street flooding
15. Backflow preventer
16. Dugout Flood Prevention Renovations
17. Clean and flush DBAP drainage system (seating bowl and dugouts)



New Improvements

- 1 Office renovations
- 2 Press box renovations
- 3 Skybox level improvements (non-press box)
- 4 Skybox level FF&E
- 5 Add HVAC to existing concessions
- 6 Convert commissary to concessions
- 7 Create concessions on top of Sections (209-215)
- 8 Create concessions on top of Sections (210-218)
- 9 Diamond View seating improvements
- 10 New Retail Building (building only)
- 11 Add kitchen to USA Baseball Space
- 12 Replace restroom fixtures to water-efficient
- 13 Visitor's clubhouse, umpires, and dugouts
- 14 Sound system improvements
- 15 Blackwell Street Improvements
- 16 Renovate trash area

New Improvements



New Improvements



VIEW DOWN JACKIE ROBINSON DRIVE



DURHAM BULLS ATHLETIC PARK CAMPUS

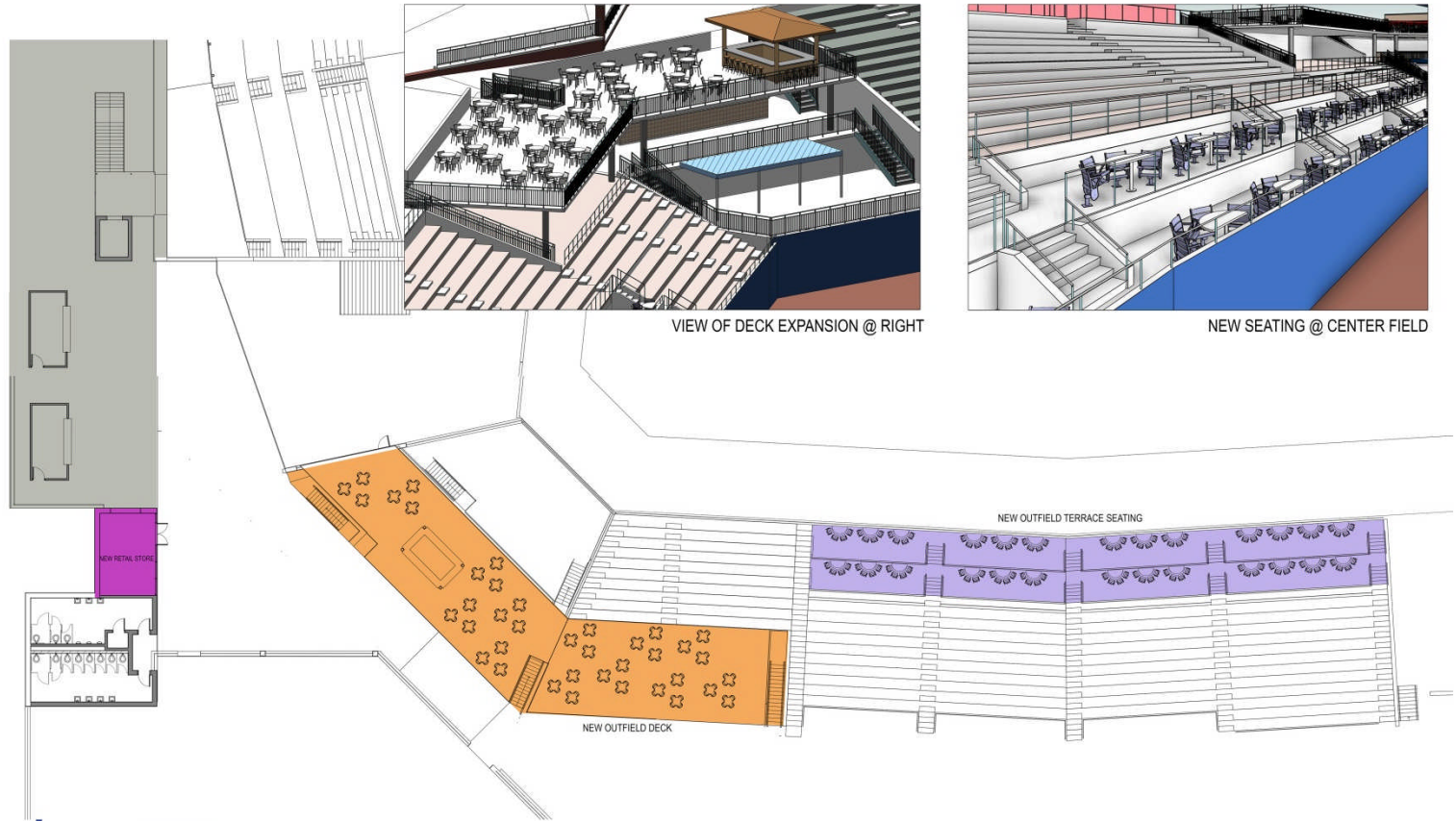
EXTERIOR BUILDING ELEVATIONS

April 4, 2013

D3 DEVELOPMENT

RND
ROUGHTON NICKELSON DE LUCA
architects

New Improvements



DURHAM BULLS ATHLETIC PARK CAMPUS

RIGHT FIELD/ CENTER FIELD IMPROVEMENTS

April 4, 2013

D3 DEVELOPMENT

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architects



Club Work

- Club Minimum Investment- at least \$2 Million
 - Signage in the outfield area.
 - New concessions and retail facilities in several areas of the ballpark.
 - Estimated cost of these items to be between \$1 -\$2 Million. Club will pay for all costs of the Club work and execute its own contracts for these improvements.

Kiosk Options



Kiosk Options





Budget and Contracts

- City's contribution is capped at \$12 Million
 - RND Contract- amount NTE \$725,580
 - City Procurement- lights (est. \$446,000); stadium seats (est. \$697,000).
 - Lend Lease Contract- Balance of \$12 Million (Not captured in architect contract or direct procurement)
- Club's contribution is a minimum of \$2 Million
- Club is responsible for cost of work in excess of \$12 Million



Funding

- \$12 million City Bond Issuance
 - Debt service is estimated to be approximately \$970,000.00 per year.
 - Paid back with revenues generated from the lease of the ballpark as well as other General Fund revenues.
- Finance Department estimates that over the life of the lease the financial model developed will result in positive gross cash flow to the City of \$7,380,000 (PV (present value) \$4,063,650) when compared to a cash flow under the existing financial model.